

Message Text

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ACTION EUR-25

INFO OCT-01 IO-15 ISO-00 EURE-00 SPC-03 AID-20 EB-11

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-15 STR-08 OMB-01

CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07

OPIC-12 LAB-06 SIL-01 L-03 H-03 PA-03 PRS-01 USIA-15

DRC-01 NEA-10 /188 W

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P R 111636Z OCT 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 7971

INFO AMEMBASSY LONDON PRIORITY

AMEMBASSY PARIS

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C O N F I D E N T I A L SECTION 01 OF 03 BONN 14764

DEPT ALSO PASS TO TREASURY AND FRB

E.O. 11652: XGDS-1

TAGS: PFOR, EFIN, UK, GW, US

SUBJECT: BRANDT-HEATH SUMMIT AT CHEQUERS: FOCUS ON

EUROPE

BEGIN SUMMARY: JOINT ANGLO-GERMAN REPORT OF OCT 6-7

WEEKEND BRANDT-HEATH SUMMIT AT CHEQUERS CONVEYS

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IMPRESSION OF TWO GOOD FRIENDS EITHER AGREEING OR

AVOIDING DISCORD ON NEARLY ALL ISSUES. TOUR D'HORIZON
FOCUSED ON FEATURES OF EC SUMMIT ACTION PROGRAM DUE TO
BE ACHIEVED BY YEAR'S END. BRANDT ACCEPTED HEATH
POSITION THAT UK WILL DECIDE FOR ITSELF ON WHEN AND HOW
POUND STERLING RETURNS TO SNAKE, AND THAT THIS
ISSUE IS NOT LINKED TO EC REGIONAL POLICY GOALS OR
MUTUAL FRG/UK WISH FOR SOME ADDITIONAL CONCRETE PROGRESS
DURING CONSOLIDATION PHASE OF ECONOMIC AND MONETARY
UNION. IN HIS TURN, HEATH RENEWED BRITISH ENDORSE-
MENT FOR BRANDT'S BERLIN POLICY. BOTH LEADERS
EMPHASIZED IMPORTANCE OF ATLANTIC DIALOGUE, CLOSER
CONSULTATIONS WITH POMPIDOU AND THE NEED TO SEEK
CONSENSUS ON POLITICAL ISSUES AT AN EARLY POINT WITHIN
THE NINE. EAST/WEST ISSUES TREATED ONLY GENERALLY.
BRANDT-HEATH INTERCHANGES TURNED FREQUENTLY TO MID-EAST
WAR, WHICH HAD BROKEN OUT IN THE COURSE OF THE WEEKEND
DISCUSSIONS. END SUMMARY

1. GENERAL. FONOFF OFFICIAL HAS PROVIDED EMBOFF
WITH JOINT UK/FRG REPORT ON BRANDT-HEATH OCT 6-7
WEEKEND SUMMIT, WHICH TOOK PLACE IN A VERY RELAXED AND
FRIENDLY ATMOSPHERE AT CHEQUERS. THE CHANCELLOR AND
PRIME MINISTER HAD TWO LENGTHY TETE-A-TETES WHICH
COVERED THE WATERFRONT OF EUROPEAN, U.S.-EUROPEAN,
AND EAST-WEST AFFAIRS AND ALSO FOCUSED FROM TIME TO
TIME ON REPORTS COMING IN CONCERNING THE MIDEAST
WAR. BRITISH DEFENSE MINISTER
CARRINGTON AND EUROPEAN MINISTER DAVIES JOINED PORTIONS
OF THE DISCUSSIONS; FOREIGN MINISTER DOUGLAS-HOME AND
OPPOSITION LEADER WILSON ALSO PARTICIPATED AT SUNDAY
LUNCHEON. FOREIGN MINISTER SCHEEL DID NOT ATTEND THE
WEEKEND MEETINGS; BRANDT WAS ACCOMPANIED BY ONLY A
COUPLE OF SENIOR WORKING LEVEL OFFICIALS. THERE
FOLLOWS SUMMARY OF THE JOINT ANGLO-GERMAN REPORT,
WHICH WAS USED BY OLIVER WRIGHT AND GERMAN AMBASSADOR
HASSE OCT 9 IN BRIEFING OF THE AMBASSADORS OF THE
OTHER SEVEN EC EMBASSIES IN LONDON.

2. EUROPEAN UNIFICATION. BRANDT AND HEATH SAW THEIR
MEETING IN THE CONTEXT OF THOSE DECISIONS DUE BY
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THE END OF THE YEAR ON THE EC SUMMIT ACTION PROGRAM.
BOTH LEADERS DESCRIBED THE SEPT 10-11 COPENHAGEN
MINISTERIAL AS A "MILESTONE" OF THE EUROPEAN
UNIFICATION MOVEMENT, A BASIS FOR DEVELOPING "A
EUROPEAN IDENTITY" AND FOR INTENSIFYING EC-9 FOREIGN
POLICY COORDINATION. BRANDT AND HEATH NOTED WITH
GREAT INTEREST POMPIDOU'S STATEMENT AT HIS LATEST
PRESS CONFERENCE FAVORING REGULAR MEETINGS OF THE NINE

CHIEFS OF GOVERNMENT; THE CHANCELLOR AND PRIME MINISTER
BOTH INTEND TO TAKE UP THIS POINT WITH POMPIDOU AND
TO SEEK CLOSER CONSULTATIONS WITH THE FRENCH PRESIDENT.

3. ECONOMIC AND MONETARY UNION (EMU). BRANDT AND
HEATH AGREED THAT THE FORTHCOMING "CONSOLIDATION PHASE"
SHOULD NOT BE A "PERIOD OF STAND STILL," BUT SHOULD
RATHER SEEK TO ACHIEVE IN A PRACTICAL WAY AS MANY
ELEMENTS OF THE ORIGINALLY PLANNED EMU PHASE II AS
POSSIBLE. BOTH AGREED TO WORK TOWARD ACHIEVING
THE MOST FAR REACHING AND TIMELY PROGRESS ON EMU.
BRANDT AND HEATH ESPECIALLY AGREED TO WORK FOR BETTER
AND CLOSER HARMONIZATION OF ECONOMIC,
MONETARY AND CREDIT POLICY.

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P R 111636Z OCT 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 7972

INFO AMEMBASSY LONDON PRIORITY

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4. REGIONAL POLICY. HEATH DID NOT EXPLICITLY PRESS ON THE GERMAN POSITION, BUT DID STRESS THE GENERAL IMPORTANCE FOR HIS GOVERNMENT OF MAKING REGIONAL POLICY A "SUCCESS SIGN" OF BRITISH EC MEMBERSHIP. BRANDT AND HEATH AGREED THAT AN EFFECTIVE EC REGIONAL POLICY SHOULD BE BEGUN IN ACCORDANCE WITH THE EC SUMMIT TIME TABLE---WITHOUT RELATIONSHIP TO THE QUESTION OF BRITISH "RETURN TO THE SNAKE." HEATH
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RELATED THE BEGINNING OF AN EFFECTIVE REGIONAL POLICY TO THE CURRENT STATUS OF EUROPEAN UNIFICATION, BUT NOTHING WAS SAID CONCERNING THE LEVEL OF A REGIONAL FUND.

5. INTERNAL COMMUNITY CONSTRUCTION. BRANDT AND HEATH AGREED THAT THE BRUSSELS MACHINERY FOR THE COORDINATION OF ECONOMIC AND MONETARY POLICY SHOULD BE IMPROVED. THEY PARTICULARLY HAD IN MIND A STRICTER MANAGEMENT OF COMMUNITY FINANCES AND A BETTER CONTROL OF THE BRUSSELS BUDGET IN COOPERATION WITH THE EUROPEAN PARLIAMENT.

6. BRITISH RETURN TO THE SNAKE. BOTH LEADERS DESCRIBED THIS AS A MATTER FOR GREAT BRITAIN TO DETERMINE. BRANDT ENDORSED HEATH'S POSITION--"WE WILL REJOIN AT AN APPROPRIATE TIME AND IN AN APPROPRIATE WAY." BRANDT AND HEATH AGREED THAT, ABOVE ALL, THERE SHOULD BE NO COUPLING OF THIS QUESTION WITH THE POSSIBLE OVERALL CONCRETE DEVELOPMENT OF EMU GOALS IN THE CONSOLIDATION PHASE.

7. SUPPORT OF POUND STERLING. AN INTENSIVE DISCUSSION LED TO AN AGREED JUDGMENT BETWEEN BRANDT AND HEATH OF THE CURRENT INTERNATIONAL MONETARY SITUATION, WHICH EMPHASIZED THE CCLOSECONNECTION BETWEEN INTERNATIONAL MONETARY REFORM AND THE STABILIZATION OF THE DOLLAR. BOTH LEADERS NOTED WITH SATISFACTION THAT A COMMON OPENING POSITION OF THE NINE HAD BEEN FOUND CONCERNING REFORM OF THE INTERNATIONAL MONETARY SYSTEM, AND AGREED THAT BONN AND LONDON WOULD WORK CLOSELY TOGETHER IN THIS FIELD.

8. U.S./EUROPEAN PARTNERSHIP. BRANDT AND HEATH AGREED THAT THIS "KEY QUESTION" MUST BE BROUGHT ALONG IN COMMON WITH THE DEVELOPING EUROPEAN UNIFICATION PROCESS. ON THE BASIS OF THE CHANCELLOR'S REPORT ON HIS RECENT WASHINGTON VISIT, BOTH SIDES PERCEIVE A GOOD BASIS FOR AGREEMENT OVER THE TOTAL COMPLEX OF ATLANTIC QUESTIONS. BOTH AWAIT PRESIDENT NIXON'S VISIT WITH GREAT INTEREST AND WITH THE INTENTION, CONFIDENTIAL

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TOGETHER WITH AMERICA, TO ARRIVE AT THE REQUIRED DECISIONS. TIMING OF THE PRESIDENT'S VISIT IS A MATTER FOR THE U.S. TO DECIDE FOLLOWING ADEQUATE PREPARATIONS GUARANTEEING SUCCESS. BRANDT AND HEATH AGREED THAT SUBSTANTIAL U.S. TROOP PRESENCE IN EUROPE REMAINED A BASIC REQUIREMENT FOR THE COMMON SECURITY, THE SUCCESS OF WEST EUROPEAN UNIFICATION, VITALIZATION OF THE ATLANTIC PARTNERSHIP AND THE FURTHER CONDUCT OF EAST-WEST RELATIONS.

9. EAST/WEST RELATIONS. THIS DISCUSSION FOCUSED ON CSCE AND MBFR AND LED TO A COMMON EVALUATION OF THE SITUATION AND REQUIREMENTS FOR WESTERN POLICY. BRANDT REVIEWED THE CURRENT STATUS OF GERMAN OSTPOLITIK AND THE BERLIN ISSUE. HEATH EXPRESSED FULL UNDERSTANDING AND SUPPORT FOR GERMAN POLICY AND PLEDGED, IN THE SPIRIT OF PREVIOUS COOPERATION, LONDON'S FURTHER SUPPORT.

10. MID-EAST. THE TWO LEADERS FOLLOWED DEVELOPMENTS IN THE NEW MID-EAST WAR THROUGHOUT THEIR WEEKEND DISCUSSIONS AND AGREED THAT IT HAD POSSIBLE SERIOUS IMPLICATIONS FOR EAST-WEST RELATIONS AND FOR WESTERN ENERGY POLICY. THEY AGREED THAT THE EC-9 POLITICAL CONSULTATIONS SHOULD ACCORD INCREASED ATTENTION TO MID-EAST ISSUE AND THAT BONN AND LONDON WILL CONSULT CLOSELY ON THESE QUESTIONS.

11. MISCELLANEOUS. HEATH BRIEFED THE CHANCELLOR ON THE ULSTER QUESTION AND ON BRITISH EFFORTS TO REACH A MODUS VIVENDI WITH ICELAND.

12. COMMENT. JOINT ANGLO-GERMAN REPORT PROVIDES

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P R 111636Z OCT 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 7973

INFO AMEMBASSY LONDON PRIORITY

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C O N F I D E N T I A L SECTION 03 OF 03 BONN 14764

IMPRESSION OF CONVIVIAL WEEKEND INTERCHANGE BETWEEN
TWO GOOD FRIENDS AT PM'S COUNTRY ESTATE. FONOFF
SOURCE SAYS THE TWO LEADERS WERE IN AGREEMENT ON MOST
ISSUES---NO STRICTLY BILATERAL QUESTIONS WERE DISCUSSED
---, AND ENGAGED IN SOME MUTUAL BACK-SCRATCHING ON
POTENTIALLY CONTENTIOUS PROBLEMS. ACCORDING TO OUR
SOURCE, BRANDT WAS FULLY CONSCIOUS THAT HEATH'S
POLITICAL STAKES IN A RESUSCITATED BRITISH ECONOMY
WOULD RENDER THE PM IMMUNE TO GERMAN ENTREATIES CON-
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CERNING AN EARLY RETURN OF STERLING TO THE SNAKE. ACCORDINGLY, THE CHANCELLOR PLAYED THE ROLE OF AN UNDERSTANDING FRIEND. OUR SOURCE SAID THE SAME ANALYSIS APPLIES TO THE GENERAL, NON-COMMITTAL DISCUSSION OF UK WISHES ON REGIONAL POLICY.

13. AS TO THE ATLANTIC DIALOGUE, BOTH HE CHANCELLOR AND PM MANIFESTED DETERMINATION TO MOVE FORWARD IN PARALLEL WITH THE EUROPEAN UNIFICATION PROCESS AND TO BRING POMPIDOU ALONG. OUR SOURCE EMPHASIZED THE ANGLO-GERMAN VIEW THAT THE EC-9 WAS THE PROPER FORUM FOR MATURING COMMON EUROPEAN POSITIONS ON POLITICAL ISSUES BEFORE DETAILED EC/U.S. DISCUSSIONS, AND AGAIN WELCOMED U.S. UNDERSTANDING FOR THIS PROCEDURE AS AN ESSENTIAL ASPECT OF CREATING A EUROPE SPEAKING WITH ONE VOICE. BUT OUR SOURCE ALSO STRESSED THE HEATH-BRANDT WISH TO CONTINUE INTENSIVE FRG AND UK BILATERAL COOPERATION WITH U.S. IN ORDER TO AVOID PRESENTING WASHINGTON WITH FAIT ACCOMPLI. FURTHER, OUR SOURCE RECOMMENDED THAT U.S. OFFICIALS SEIZE OPPORTUNITIES TO CONVEY AUTHORITATIVE AMERICAN VIEWS ON ISSUES CONSIDERED BY EC POLITICAL COMMITTEE AND SUBCOMMITTEES BEFORE RPT BEFORE SUCH EC-9 MEETINGS AS WELL AS SEEKING BRIEFINGS FOLLOWING SUCH SESSIONS.
HILLENBRAND

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